

Message Text

LIMITED OFFICIAL USE

PAGE 01 LIMA 01413 122308Z

14

ACTION COME-00

INFO OCT-01 ARA-06 ISO-00 EB-07 /014 W

----- 059484

R 122210Z FEB 76

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 8820

LIMITED OFFICIAL USE LIMA 1413

EO 11652: NA

TAGS: BEXP, PE

SUBJ: MAJOR PROJECT: BAYOVAR PETROCHEMICAL COMPLEX

REF: STATE 7930, LIMA 1206

1. COMMERCIAL ATTACHE DISCUSSED WITH MINISTRY OF INDUSTRY
TECHNICAL ADVISOR STATUS OF BAYOVAR PETROCHEMICAL COMPLEX AND
SPECIFICALLY THE ETHYLENE UNIT IN WHICH LUMMUM CO. IS INTERESTED.
ACCORDING TO THIS HIGH LEVEL OFFICIAL FINAL MINISTERIAL DECISION
TO PROCEED WITH ENGINEERING OFFERS WILL TAKE PLACE BY END OF
FEBRUARY. INDUPERU THEN WILL BE IN A POSITION TO STUDY OFFERS
ALREADY MADE (JAPANESE, ITALIANS) AND DECIDE WHETHER OR NOT
TO ACCEPT OFFERS. LUMMUS SHOULD KNOW BEFORE THE END OF MARCH
WHAT IS THE STATUS OF ITS OFFER.

2. REGARDING THE STATUS OF OVERALL PROJECT, IS IS ALMOST
IMPOSSIBLE TO OBTAIN ANY FACTUAL INFORMATION BUT IT APPEARS THAT
THE DIFFERENT MINISTRIES ARE PUSHING AHEAD WITH THEIR OWN
PARTICULAR PART OF THE PROJECT WITHOUT MUCH COORDINATION. MUCH
INFRASTRUCTURE HAS TO BE BUILT IN ORDER FOR ANY LARGE SCALE
INVESTMENT TO TAKE PLACE. ALSO CLEAR THAT BASIC UNIT IN
COMPLEX IS THE PETROLEUM REFINERY WHICH PETROPERU MUST BUILD
AT THE TERMINAL OF NORTHERN PERU PIPELINE NOW SCHEDULED FOR
COMPLETION TOWARD THE END 1976. REFINERY IS CRUCIAL SINCE
IT PROVIDES THE FEEDSTOCK FOR MUCH OF THE OTHER PETROCHEMICAL
PLANTS.

3. FINANCING FOR SUCH LARGE PROJECTS NOW LOOMS AS EVEN LARGER

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LIMA 01413 122308Z

PROBLEM THAN BEFORE. FINANCING WAS ALWAYS KEY ELEMENT IN

OBTAINING MANY OF THE MAJOR CONTRACTS DURING THE PAST FEW YEARS. GIVEN THE BALANCE OF PAYMENTS CRISIS THROUGH WHICH PERU IS PASSING, IT CAN BE SAFELY ASSUMED THAT FINANCING WILL NOW PLAY AN EVEN LARGER ROLE IN THE AWARDING OF CONTRACTS. OTHER THAN LIMITED BILATERAL GOVERNMENT FINANCING AND ACCESS TO SOME OF THE INTERNATIONAL LENDING AGENCIES, PERU MUST BASICALLY DEPEND ON FINANCING INCLUDED AS PART OF EACH PROJECT PACKAGE. EMBASSY OF OPINION, THEREFORE, THAT UNLESS SUITABLE FINANCING IS INCLUDED IN OFFERS INTERESTED FIRMS HAVE LITTLE POSSIBILITY OF SIGNING ANY NEW MAJOR CONTRACT.
DEAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 12 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: powellba
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976LIMA01413
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760055-0075
From: LIMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760256/aaaabwsb.tel
Line Count: 72
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 STATE 7930, 76 LIMA 1206
Review Action: RELEASED, APPROVED
Review Authority: powellba
Review Comment: n/a
Review Content Flags:
Review Date: 21 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 JUL 2004 by ShawDG>; APPROVED <28 OCT 2004 by powellba>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECT: BAYOVAR PETROCHEMICAL COMPLEX
TAGS: BEXP, PE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006